

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6207

BILL NUMBER: HB 1144

DATE PREPARED: Nov 3, 2000

BILL AMENDED:

SUBJECT: Mortgage Fraud Unit.

FISCAL ANALYST: John Parkey

PHONE NUMBER: 232-9854

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes the Mortgage Fraud Unit within the Office of the Attorney General. The bill requires the unit to:

- (1) investigate allegations of fraud in connection with mortgage lending;
- (2) institute appropriate civil actions to remedy results of fraud in connection with mortgage lending; and
- (3) cooperate with appropriate federal and state agencies in the prosecution of criminal violations involving fraud in connection with mortgage lending.

Effective Date: July 1, 2001.

Explanation of State Expenditures: This bill establishes a Mortgage Fraud Unit within the Office of the Attorney General. The Attorney General's Office estimates that the unit will require two additional Deputy Counsels (PAT 1) and one additional law clerk (PAT VI). The estimated direct and indirect cost of these three positions would be \$125,296 in FY 2002 and \$124,865 in FY 2003. The Office of the Attorney General estimates any additional costs associated with the creation of the unit would be absorbed within its existing budget.

This bill does not contain an appropriation. The funds and resources required could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. The Office of the Attorney General has 285 authorized full-time positions. As of July 9, 2000, there were 30 full-time positions vacant. The breakdown of the 30 vacancies by position type and division is as follows: 6 attorneys, 5 secretaries, and 1 field investigator (Office of the Attorney General), 1 field auditor, 1 account clerk, and 1 secretary (Abandoned Property

Division), 2 attorneys and 2 field investigators (Consumer Protection Division), 2 field investigators (Time Share Investment Section), 2 welfare investigators, 1 criminal investigator, and 1 clerical assistant (Medicaid Fraud Division), and 5 field investigators (Food Stamp Fraud Division). The Office of the Attorney General reverted \$499,566 from its operating account at the end of FY 2000. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of the Attorney General; Professional Licensing Agency and appropriate licensing boards; Department of Financial Institutions; Department of Insurance; Office of the Secretary of State, Securities Division; Indiana Supreme Court.

Local Agencies Affected:

Information Sources: Gregory Thomas, Office of the Attorney General, 232-6201.